

HOUSE BILL No. 2014

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-5.2.

Synopsis: Community foundation tax credit. Provides an adjusted gross income tax credit for contributions made to community foundations. Provides that: (1) the maximum credit for an individual is \$200 in the case of a single return and \$400 in the case of a joint return; and (2) the maximum credit for a corporation is \$10,000. Provides that the maximum credit amounts shall be adjusted annually for inflation.

Effective: January 1, 2000.

Turner

January 27, 1999, read first time and referred to Committee on Ways and Means.

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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 2014

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-3-5.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2000]: **Sec. 5.2. (a) As used in this section,**
4 **"community foundation" means an organization that:**

- 5 (1) **applies for certification before April 2 of the tax year for**
6 **which the taxpayer is claiming a credit under this section; and**
7 **(2) the department certifies for that tax year as meeting all the**
8 **following requirements:**

9 (A) **Qualifies for exemption from federal income taxation**
10 **under Section 501(c)(3) of the Internal Revenue Code.**

11 (B) **Supports a broad range of charitable activities within**
12 **the specific geographic area of Indiana that the**
13 **organization serves, such as a municipality or county.**

14 (C) **Maintains an ongoing program to attract new**
15 **endowment funds by seeking gifts and bequests from a**
16 **wide range of potential donors in the community or area**
17 **served.**



(D) Is publicly supported (as defined in 26 CFR 1.170A-9(e)(10)).

(E) Is not a supporting organization under Section 509(a)(3) of the Internal Revenue Code and 26 CFR 1.509(a)-4 and 1.509(a)-5.

(F) Meets the requirements for treatment as a single entity contained in 26 CFR 1.170A-9(e)(11).

(G) Is incorporated or established as a trust before September 1 of the year immediately preceding the tax year for which the credit is claimed.

(b) At the election of the taxpayer, there is allowed, as a credit against the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, an amount (subject to the applicable limitations provided by this section) equal to the aggregate amount of contributions made by the taxpayer during the taxable year to community foundations.

(c) In the case of a taxpayer other than a corporation, the amount allowable as a credit under this section for a taxable year may not exceed two hundred dollars (\$200) in the case of a single return or four hundred dollars (\$400) in the case of a joint return.

(d) In the case of a corporation, the amount allowable as a credit under this section for a taxable year may not exceed ten thousand dollars (\$10,000).

(e) The credit allowed by this section may not exceed the amount of the adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7 for the taxable year, reduced by the sum of all credits (as determined without regard to this section) allowed by IC 6-3-1 through IC 6-3-7.

(f) The maximum credit amounts in subsections (c) and (d) shall increase with inflation. The department shall ascertain the generally accepted inflation rate for the year ending November 1 of each year and increase accordingly the maximum credit amounts applicable for the taxable year ending the following December 31. On December 1 of each year, the department shall publish in accordance with IC 5-3-1-6 the maximum credit amounts applicable for the year and indicate the amounts on forms provided to taxpayers for claiming a credit under this section.

(g) A taxpayer subject to an income tax under the provisions of IC 6-2.1 as well as under the provisions of IC 6-3-1 through IC 6-3-7 may elect to claim the credit allowed by this section against the income tax imposed by IC 6-2.1, but a credit may not be claimed against both taxes.



1 SECTION 2. [EFFECTIVE JANUARY 1, 2000] **IC 6-3-3-5.2, as**
2 **added by this act, applies only to taxable years beginning after**
3 **December 31, 1999.**

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